

**STATE PETROLEUM BOARD TO REVIEW CLAIMS  
BOARD MEETING MINUTES  
JUNE 8, 2004**

Note: Copies of this recorded meeting on cassette tape can be obtained from Karen Fleming, NDEP, 333 W. Nye Lane, Room 206, Carson City, Nevada 89706-0851 or by calling (775) 687-9367.

**CALL TO ORDER**

Mr. Allen Biaggi called the meeting to order at 10:03 a.m. Ms. Linda Bowman, the Vice Chairman had been delayed and arrived at 10:05 a.m. The meeting was videoconferenced at the Legislative Council Bureau, State Legislative Building (Room 2134), 401 South Carson Street and the Legislative Counsel Bureau in the Grant Sawyer Building (Room 4406) 555 Washington Street, Las Vegas, Nevada.

**BOARD MEMBERS PRESENT**

Ms. Linda Bowman (Vice Chairman), Mr. Allen Biaggi, Ms. Linda Bowman, Mr. Mike Miller, Mr. Mike Dzyak, Mr. Edgar Roberts (replacing Ms. Karen Winchell), Ms. Joanne Blystone

**STAFF PRESENT**

Mr. Gil Cerruti (Supervisor, Petroleum Fund); Ms. Karen Fleming (Recording Secretary, Petroleum Fund); Mr. Mike Cabble, (newly hired employee, UST Program), Mr. Jim Najima (Bureau Chief, NDEP in Carson City); Ms. Susan Gray (Legal Representative to the Board of the Attorney General's Office in Las Vegas) and Ms. Chris Andres (Las Vegas NDEP).

**I. APPROVAL OF THE AGENDA**

Mr. Cerruti requested a roll call of the Board Members and then introduced NDEP staff in attendance.

**Mike Miller moved to approve the Agenda. Joanne Blystone seconded the Motion. Motion carried unanimously.**

**II. APPROVAL OF THE MARCH 11, 2004 MINUTES**

Mr. Allen Biaggi asked if there were any changes to the minutes. There were no changes and the minutes were approved.

**Joanne Blystone moved to approve the Minutes. Mike Miller seconded the Motion. Motion carried unanimously.**

**III. STATUS OF FUND STATEMENT**

Mr. Cerruti reported that the status of the Petroleum Fund reflects approximately a \$2,250,000 carry-over from fiscal year 2003. In addition, \$419,000 has been received in tank fees and approximately \$7,700,000 received in petroleum fees leaving a total revenue to-date of approximately \$10.4 million dollars. The expenditures to date are approximately \$5,000,000 of which \$4.5 million are reimbursement of petroleum claims. There are also liabilities of \$830,000 creating a total expenditure of \$5.9 million. When this is subtracted from the revenue there is approximately \$4.5 million actual cash available. Staff is recommending for this meeting, \$1.8 million that will be paid in full. Mr. Cerruti reported that the March 2004 revenues were received from the Department of Motor Vehicles and based on those revenues and forecasted revenues for the balance of fiscal year 2004, ending July 1<sup>st</sup>, there will be \$6.8 million available in the Fund. The Department of Motor Vehicles has been advised to continue collecting the ¾ cent petroleum fee for fiscal year 2005 and based on that all petroleum claims submitted will be paid through 2005.

#### **IV. ADOPTION OF CONSENT ITEMS**

Ms. Bowman asked if there was a motion for approval. Ms. Joanne Blystone had a question regarding consent Item #36 under Old Cases where the requested amount was not listed. She wanted to know if there was a reason for it and she stated that the amount should be for \$6,518.77. Mr. Cerruti asked for a moment to check on that. It was discovered that the amount was accidentally omitted and it was a typo. Ms. Blystone moved for adoption of consent items for Heating Oil, Above Ground Storage Tanks, New Cases, Other Products and Old Cases, Other Products, inclusive to Item number 97.

**Joanne Blystone moved for an adoption of all consent items. Mike Miller seconded the motion. The motion carried.**

Ms. Bowman stated for purposes of the record she would like to abstain from the following items listed under Old Cases, Other Products: Item number 6 - Allied Washoe, a client, although Ms. Bowman stated that she was not currently involved in the matter and Item number 21- Avis Rent-A-Car to which Ms. Bowman stated she has familiarity but it would not affect her vote.

**\*Post meeting note:** On June 11, 2004, Ms. Bowman's office contacted the Board Secretary to advise that Ms. Bowman also intended to abstain from Item #50 under Old Cases, Other Products for Allstate Rent-A-Car. Ms. Bowman requested this abstention be written into the minutes.

#### **V. EXECUTIVE SUMMARY REPORT**

Mr. Cerruti reported that, for fiscal year 2004, NDEP has received 40 new cases for evaluation of coverage. Since inception of the program, 1,206 cases have been evaluated. There are currently 225 active remediation sites. A total of 824 cases have been closed. A total of 92 cases have been denied coverage and 41 cases have expired due to the fact that within 12 months of the date of discharge discovery, they failed to file a claim. A total of 24 cases are currently in pending status either awaiting submittal of additional information or awaiting staff evaluation of coverage. To date a total of \$104.9 million has been reimbursed from the Petroleum Fund. The balance this year is forecasted as of June 30, 2004 to be \$6.8 million dollars.

Mr. Cerruti gave a brief overview regarding coverage granted to a site that failed to submit a claim within the 12-month period from the time of leak detection. Based on Resolution 96-003, adopted by the Board, this resolution allows granting coverage where there is excusable neglect on the part of the owner. This site had a situation where the owner was aware of ongoing contamination but could not identify the source. The owner did everything to identify the source through various testing. The owner had finally inquired NDEP staff for assistance in the matter. A vapor test was recommended. It was then determined the tanks were leaking from 3 vapor sources. Mr. Cerruti concluded that from the time of the initial release to the time that the source was confirmed, 12 months had already passed. This situation was interpreted as "excusable neglect" and coverage was granted for that site. The site was the Gas-N-Save at 1360 South Carson Street, Carson City.

#### **PUBLIC FORUM**

There were no comments from the Public.

#### **CONFIRMATION OF NEXT BOARD MEETING**

It was announced that the next Board meeting would be held on September 9, 2004. It was confirmed by Mr. Cerruti to be videoconferenced.

#### **ADJOURNMENT**

There being no further business, the meeting adjourned at 10:15 a.m.